



Department of Medical Assistance Services
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MEDICAID MEMO

TO: All Pharmacy Providers Participating in the Virginia Medical Assistance Programs and all Managed Care Organizations (MCOs)

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services (DMAS)

MEMO: Special

DATE: 01/30/2006

SUBJECT: New Virginia Medicaid Interim Reimbursement for Medicare Part D Drugs for Dual Eligibles – Effective January 31, 2006

NEW INFORMATION

The purpose of this memorandum is to notify you that, effective January 31, 2006, Governor Timothy M. Kaine has authorized Virginia Medicaid to cover claims for drugs designated under the Medicare Part D drug benefit for dual eligible beneficiaries with Medicare and full benefit Medicaid coverage in the event pharmacists are unable to process these claims through the Medicare Part D Prescription Drug Plans (PDPs) or other designated payment methods. Note: This action does not apply to limited coverage groups (Qualified Medicare Beneficiaries, Special Low Income Medicare Beneficiaries, Qualified Individuals) for whom Medicaid pays the Medicare premiums.

Due to recent transition issues with the new Medicare drug benefit, which became effective January 1, 2006, this action is being taken to ensure access to prescription medications for dual eligibles who received drug coverage under Medicaid, increase coordination between Medicare and Medicaid, and support pharmacy providers facing billing challenges for this population. The interim payment process outlined in this memorandum temporarily supersedes the previously published Virginia Medicaid reimbursement procedures for dual eligible recipients enrolled in Medicare Part D.

MEDICARE PART D DRUGS

For Part D claims that should be payable by the PDP and are not, Virginia Medicaid will process the claims through its point of sale (POS) system.

- If free form text is viewable through the pharmacy provider's software application, a message stating 'Verify Part D Coverage' will be returned with a paid status. The claim will process according to the existing Virginia Medicaid rules.
- The system will return the appropriate brand and generic Medicaid co-payments, which should be collected from the beneficiaries. The allowable amount will include the Medicaid dispensing fee. This payment process does not absolve the recipient from their co-payment obligations.
- Part D pharmacy claims will be subject to Virginia Medicaid's Preferred Drug List (PDL) and other Medicaid edits.
- If pharmacy providers have any questions, you should call the First Health clinical call center at (800) 932-6648, for more information.

Virginia Medicaid should be considered the payer of last resort and all payment options outlined by Centers for Medicare and Medicaid Services (CMS) through its payment contingency plan for Part D eligible recipients should be attempted before submitting claims for payment by Virginia Medicaid.

MEDICARE PART B DRUGS

Medicaid will also continue to provide benefits for prescription drugs administered under Medicare Part B based on current coverage guidelines.

- The pharmacy claim for Part B drugs should first be submitted to the Medicare intermediary for coverage. Pharmacies must be a Part B participating provider to receive reimbursement for these claims. Pharmacy providers may contact Trailblazers at 866-697-9670 for information on filing for Part B drugs and Administar, through the National Supplier Clearinghouse at 866-238-9652, for DME.
- As a secondary payer, Medicaid will pay up to the Medicaid allowed amount based on the TPL information submitted.
 - The "Other Coverage Code" should equal "02" along with the TPL amount collected from the primary payer or,
 - The "Other Coverage Code" should equal "03" with an amount of "\$0" collected from the primary payer.
- Part B pharmacy claims submitted with TPL information are not subject to Virginia Medicaid's PDL guidelines.

END DATE OF INTERIM PAYMENT PROCESS

It is anticipated that Virginia Medicaid's coverage of Part D drugs for dual eligible recipients will end within the next few weeks once Part D implementation problems have been resolved. DMAS will provide notification to all pharmacists in advance of the end date of this interim payment process. Once this interim payment process ends, claims for dual eligible recipients will not be reimbursed by Virginia's Medicaid program and should be submitted to the appropriate Medicare Part D PDP.

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option (ARS) to access information regarding Medicaid or FAMIS eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification. The website address to use to enroll for access to this system is <http://virginia.fhsc.com>. The MediCall voice response system will provide the same information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

PHARMACY HELPLINE

The "Pharmacy HELPLINE" is available to answer questions twenty-four hours a day and seven days a week.

The "HELPLINE" number is:

1-800-932-6648

Please remember that the "HELPLINE" is for provider use only.